

# Vendor selection pitfalls to avoid and best practices to employ

## Before issuing an RFx



### PITFALL #1

**Failure to understand company needs** — Internal scoping for awareness is the most important step to uncover existing issues and requirements. Failure to understand your needs can cause a vendor selection to fail before it begins.



### PITFALL #2

**Starting with a predetermined outcome** — Going through a vendor selection process just to satisfy requirements is not efficient. The HCM market is not static. Give all the vendors you invite a fair shot at earning your business.

### Best practices:

- **Reverse engineer requirements** — Make a list of detailed requirements and who requested each. Do your research. Understand what's in the market.
- **Internal stakeholders** — Involve key members of every team (Legal, IT, Finance, HR, etc.). Identify who will be involved during and after implementation and solicit their input.

### Best practices:

- **Discovery inside and out** — Meet with sales professionals from potential vendor organizations. They may uncover issues you didn't consider.
- **Develop questions** — Create a limited number of questions that focus clearly on your requirements. The more questions you send out, the more you must review.



57%

of the purchase decision is complete before a sales rep is contacted.

— HBR, Making the Consensus Sale

## After issuing an RFx



### PITFALL #3

**Setting an unrealistic timetable** — The vendor should spend as much time responding as you did creating the RFx. This also applies to implementation timelines and expectations.

### Best practices:

- **Be clear with vendors** — Communicate clearly with vendors about your timelines, requirements, expectations and budget.
- **Scoring systems** — Build a scoring system for responses, weighted toward your most important requirements



### PITFALL #4

**Making the decision based only on price** — Moving forward with the top-rated vendor will likely provide the best fit long-term. A decision based solely on price will likely cost more in the long run.

### Best practices:

- **Ask questions** — Down-selected vendors will provide a demo. Come prepared with questions that either weren't answered fully or weren't asked.
- **Deep dive into contender(s)** — To finalize vendor selection, have internal resources audit the leader's response against requirements to validate the process.

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